

Privacy of Consumer Financial Information

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Privacy of Consumer Financial Information

Sec. 38a-8-105. Scope

Sections 38a-8-105 to 38a-8-123 of the Regulations of Connecticut State Agencies govern the treatment of nonpublic personal financial information about individuals by all licensees of the Connecticut Insurance Department and are applicable to nonpublic personal financial information about individuals who obtain or are beneficiaries of products or services primarily for personal, family, or household purposes from licensees. Sections 38a-8-105 to 38a-8-123 of the Regulations of Connecticut State Agencies shall not apply to information about companies or about individuals who obtain products or services for business, commercial, or agricultural purposes, but are applicable to nonpublic personal financial information about individuals who obtain products or services for personal, family, or household purposes from licensees.

(Adopted effective June 7, 2002)

Sec. 38a-8-106. Definitions

As used in sections 38a-8-105 to 38a-8-123, inclusive, of the Regulations of Connecticut State Agencies:

- (1) "Affiliate" means any company that controls, is controlled by or is under common control with another company;
- (2) "Affinity program" is a relationship between a financial institution and an unaffiliated third party in which the unaffiliated third party facilitates the financial institution's efforts to market the financial institution's products or services to the unaffiliated third party's customers or members or endorses such financial institution's products or services;

(3) "Clear and conspicuous" means that a notice is reasonably understandable and designed to call attention to the nature and significance of the information in the notice;

(4) "Collect" means to obtain information that the licensee organizes or can retrieve by the name of an individual or by identifying number, symbol, or other identifying particular assigned to the individual, irrespective of the source of the underlying information;

(5) "Commissioner" means the Insurance Commissioner of the State of Connecticut;

(6) "Company" means any corporation, limited liability company, business trust, general or limited partnership, association, sole proprietorship, or similar organization;

(7) "Consumer" means an individual or that individual's legal representative, who seeks to obtain, obtains, or has obtained an insurance product or service from a licensee, that is to be used primarily for personal, family, or household purposes, and about whom the licensee has nonpublic personal financial information.

(A) "Consumer" includes, but is not limited to:

(i) An individual who provides nonpublic personal financial information to a licensee in connection with obtaining or seeking to obtain financial, investment, or economic advisory services relating to an insurance product or service regardless of whether the licensee establishes an ongoing advisory relationship; or

(ii) An applicant for insurance prior to the inception of insurance coverage.

(B) An individual who is a consumer of another financial institution is not a licensee's consumer solely because the licensee is acting as agent for, or provides processing for, or other services to, that financial institution;

(C) An individual is a licensee's consumer if the licensee discloses nonpublic personal financial information about the individual to a nonaffiliated third party other than as permitted under section 38a-8-116, 38a-8-117, or 38a-8-118 of the Regulations of Connecticut State Agencies and the individual is either:

(i) a beneficiary of a life insurance policy underwritten by the licensee;

(ii) a claimant under an insurance policy issued by the licensee;

(iii) an insured or an annuitant under an insurance policy or an annuity, respectively, issued by the licensee; or

(iv) a mortgagor of a mortgage covered under a mortgage insurance policy.

(D) If the licensee provides the initial, annual, and revised notices as set forth in sections 38a-8-107, 38a-8-108, and 38a-8-111 of the Regulations of Connecticut State Agencies to the plan sponsor, group insurance or annuity contract holder, or policyholder of a workers' compensation plan, and further, if that licensee does not disclose to a nonaffiliated third party nonpublic personal financial information about such an individual other than as permitted under section 38a-8-116, 38a-8-117, or 38a-8-118 of the Regulations of Connecticut State Agencies, an individual is not the consumer of such licensee solely because he or she is:

(i) a participant or a beneficiary of an employee benefit plan that the licensee administers or sponsors or for which the licensee acts as a trustee, insurer, or fiduciary;

(ii) covered under a group insurance or annuity contract issued by the licensee; or

(iii) a claimant covered by a workers' compensation plan.

(E) An individual is not a consumer solely because he or she is a beneficiary of a trust for which the licensee is a trustee; and

(F) An individual is not a consumer solely because he or she has designated the licensee as trustee for a trust;

(8) "Consumer reporting agency" means "consumer reporting agency" as defined in section 603(f) of the federal Fair Credit Reporting Act (15 USC 1681a(f));

(9) "Control" means:

(A) Ownership, ability, or power to vote twenty five percent (25%) or more of the outstanding shares of any class of voting security of the company, directly or indirectly, or acting through one or more other persons;

(B) Control in any manner over the election of a majority of the directors, trustees, or general partners (or individuals exercising similar functions) of the company; or

(C) The power to exercise (directly or indirectly) a controlling influence over the management or policies of the company, as the commissioner determines;

(10) "Customer" means a consumer who has a customer relationship with a licensee;

(11) "Customer relationship" means a continuing relationship between a consumer and a licensee under which the licensee provides one or more insurance products or services to the consumer that are to be used primarily for personal, family, or household purposes.

(A) A consumer has a continuing relationship with a licensee if, for example:

(i) The consumer is a current policyholder of an insurance product issued by or through the licensee; or

(ii) The consumer obtains financial, investment, or economic advisory services relating to an insurance product or service from the licensee for a fee.

(B) A consumer does not have a continuing relationship with a licensee if, for example:

(i) The consumer applies for insurance but does not purchase the insurance;

(ii) The licensee sells the consumer airline travel insurance in an isolated transaction;

(iii) The individual is no longer a current policyholder of an insurance product or no longer obtains insurance services with or through the licensee;

(iv) The consumer is a beneficiary or a claimant under a policy and has submitted a claim under that policy choosing a settlement option involving an ongoing relationship with the licensee;

(v) The customer's policy is lapsed, expired, paid up, or otherwise inactive or dormant under the licensee's business practices, and the licensee has not communicated with the customer about the relationship for a period of twelve (12) consecutive months, other than to provide annual privacy notices, material required by law or regulation, communication at the direction of a state or federal authority, or promotional materials;

(vi) The individual is an insured or an annuitant under an insurance policy or annuity, respectively, but is not the policyholder or owner of the insurance policy or annuity; or

(vii) If the individual's last known address according to the licensee's records is deemed invalid. An address of record is deemed invalid if mail sent to that address by the licensee has been returned by the postal authorities as undeliverable and if subsequent attempts by the licensee to obtain a current valid address for the individual have been unsuccessful;

(12) "Financial institution" means any institution the business of which is engaging in activities that are financial in nature or incidental to such financial activities

as described in section 4(k) of the federal Bank Holding Company Act of 1956 (12 USC 1843(k)). "Financial institution" shall not include:

(A) Any person or entity with respect to any financial activity that is subject to the jurisdiction of the federal Commodity Futures Trading Commission under the federal Commodity Exchange Act (7 USC 1 et seq.);

(B) The Federal Agricultural Mortgage Corporation or any entity charged and operating under the federal Farm Credit Act of 1971 (12 USC 2001 et seq.); or

(C) Institutions chartered by the United States Congress specifically to engage in securitizations, secondary market sales (including sales of servicing rights), or similar transactions related to a transaction of a consumer, as long as such institutions do not sell or transfer nonpublic personal financial information to a nonaffiliated third party;

(13) "Financial product or service" means any product or service that a financial holding company could offer by engaging in an activity that is financial in nature or incidental to such a financial activity under section 4(k) of the federal Bank Holding Company Act of 1956 (12 USC 1843(k)). Financial product or service includes, but is not limited to, a financial institution's evaluation or brokerage of information that the financial institution collects in connection with a request or an application from a consumer for a financial product or service;

(14) "Former customer" means an individual with whom a licensee no longer has a continuing relationship. A licensee no longer has a continuing relationship with an individual if, for example:

(A) The individual no longer is a current policyholder of an insurance product or no longer obtains insurance services with or through the licensee;

(B) The individual's policy is lapsed, expired, or otherwise inactive or dormant under the licensee's business practices, and the licensee has not communicated with the customer about the relationship for a period of twelve (12) consecutive months, other than to provide annual privacy notices, material required by law or regulation, or promotional materials;

(C) The individual's last known address according to the licensee's records is deemed invalid. An address of record is deemed invalid if mail sent to that address by the licensee has been returned by the postal authorities as undeliverable and if subsequent attempts by the licensee to obtain a current valid address for the individual have been unsuccessful; or

(D) In the case of providing real estate settlement services, at the time the customer completes execution of all documents related to the real estate closing, payment for those services has been received, or the licensee has completed all of its responsibilities with respect to the settlement, including filing documents on the public record, whichever is later;

(15) "Health information" means any information or data except age or gender, whether oral or recorded in any form or medium, created by or derived from a health care provider or the consumer that relates to:

(A) The past, present, or future physical, mental, or behavioral health or condition of an individual;

(B) The provision of health care to an individual; or

(C) Payment for the provision of health care to an individual;

(16) "Health Care provider" means a "health care provider" as defined in section 20-7f of the Connecticut General Statutes or a "provider" as defined in section 20-7b of the Connecticut General Statutes;

(17) "Information lawfully made available to the general public" includes, but is not limited to:

(A) Publicly available information in government records including information in government real estate records and security interest filings; or

(B) Publicly available information from a widely distributed media source including information from a telephone book, a television or radio program, a newspaper, or a web site that is available to the general public on an unrestricted basis. A web site is not restricted merely because an Internet service provider or a site operator requires a fee or a password, so long as access is available to the general public;

(18) "Insurance product or service" means any product or service that is offered by a licensee pursuant to Title 38a of the Connecticut General Statutes. "Insurance product or service" includes, but is not limited to a licensee's evaluation, brokerage, or distribution of information that the licensee collects in connection with a request or an application from a consumer for an insurance product or service;

(19) "Licensee" means any licensed insurers, producers, or other persons licensed, required to be licensed, authorized, required to be authorized, registered, or required to be registered pursuant to Title 38a of the Connecticut General Statutes. "Licensee" includes, but is not limited to an unauthorized insurer that places business through a licensed surplus lines broker in this state, but only in regard to the surplus line placements placed pursuant to section 38a-794 of the Connecticut General Statutes. "Licensee" also includes, but is not limited to an unauthorized insurer that accepts business placed through a licensed surplus lines broker in this state, but only in regard to the surplus lines placements placed pursuant to section 38a-794 of the Connecticut General Statutes;

(20) "Nonaffiliated third party" means any person except a licensee's affiliate or a person employed jointly by a licensee and any company that is not the licensee's affiliate (but "nonaffiliated third party" includes the other company that jointly employs the person). "Nonaffiliated third party" includes, but is not limited to any company that is an affiliate solely by virtue of the direct or indirect ownership or control of the company by the licensee or its affiliate in conducting merchant banking or investment banking activities of the type described in section 4(k)(4)(H) of the federal Bank Holding Company Act (12 USC 1843(k)(4)(H)) or insurance company investment activities of the type described in section 4(k)(4)(I) of the federal Bank Holding Company Act (12 USC 1843(k)(4)(I));

(21) "Nonpublic personal financial information"

(A) Means personally identifiable financial information; or

(B) Means any list, description, or other grouping of consumers (and publicly available information pertaining to them) that is derived using any personally identifiable financial information that is not publicly available, including but not limited to any list of individuals' names and street addresses derived using any personally identifiable financial information that is not publicly available information, such as account numbers;

(C) Shall not include:

(i) Health information;

(ii) Publicly available information, except as included on a list, description, or other grouping of consumers described in subparagraph (B) of this subdivision; or

(iii) Any list, description, or other grouping of consumers (and publicly available information pertaining to them) that is derived without using any personally identifiable financial information that is not publicly available; or

(iv) Any list of individuals' names and addresses that contains only publicly available information, is not derived in whole or in part using personally identifiable financial information that is not publicly available, and is not disclosed in a manner that indicates that any of the individuals on the list is a consumer of a financial institution;

(22) "Personally identifiable financial information"

(A) Means any information a consumer provides to a licensee to obtain an insurance product or service from the licensee;

(B) Means any information about a consumer resulting from a transaction involving an insurance product or service between a licensee and a consumer;

(C) Means any information the licensee otherwise obtains about a consumer in connection with providing an insurance product or service to that consumer;

(D) Includes, but is not limited to, information a consumer provides to a licensee on an application to obtain an insurance product or service;

(E) Includes, but is not limited to, account balance information and payment history;

(F) Includes, but is not limited to, the fact that an individual is or has been one of the licensee's customers or has obtained an insurance product or service from the licensee;

(G) Includes, but is not limited to, any information about the licensee's consumer if it is disclosed in a manner that indicates that the individual is or has been the licensee's consumer;

(H) Includes, but is not limited to, any information that a consumer provides to a licensee or that the licensee or the licensee's agent otherwise obtains in connection with collecting on a loan or servicing a loan;

(I) Includes, but is not limited to, any information the licensee collects through an Internet cookie (an information-collecting device from a web server);

(J) Includes, but is not limited to, information from a consumer report;

(K) Shall not include health information;

(L) Shall not include a list of names and addresses of customers of an entity that is not a financial institution; and

(M) Shall not include information that does not identify a consumer, such as aggregate information or blind data that does not contain personal identifiers such as account numbers, names, or addresses;

(23) "Publicly available information" means any information that a licensee has a reasonable basis to believe is lawfully made available to the general public from federal, state, or local government records, widely distributed media, or disclosures made to the general public that are required by federal, state, or local law;

(24) "Reasonable basis"

(A) Means a licensee reasonably believes that the information is lawfully made available to the general public when the licensee has taken steps to determine:

(i) That the information is of a type and nature that is available to the general public; and

(ii) Whether an individual can direct that the information not be made available to the general public and, if so, that the licensee's consumer has not done so;

(B) Includes, but is not limited to when a licensee, for the purpose of determining that mortgage information is lawfully made available to the general public, has determined that the information is of the type included on the public record in the jurisdiction where the mortgage would be recorded;

(C) Includes, but is not limited to when a licensee, for the purpose of determining that an individual's telephone number is lawfully made available to the general public, has determined whether the licensee has located the telephone number in the telephone book or the consumer has informed the licensee that the telephone number is not unlisted;

(25) "Reasonably understandable" means that the notice:

(A) Presents the information in the notice in clear, concise sentences, paragraphs, or sections;

(B) Uses short explanatory sentences or bullet lists whenever possible;

(C) Uses definite, concrete, everyday words and active voice whenever possible;

(D) Avoids multiple negatives;

(E) Avoids legal and highly technical business terminology whenever possible; and

(F) Avoids explanations that are imprecise and readily subject to different interpretations; and

(26) "To call attention to the nature and significance of the information" means the notice:

(A) Uses a plain-language heading to call attention to the notice;

(B) Uses a font and type size that are easily read;

(C) Provides wide margins and ample line spacing;

(D) Uses boldface or italics for key words;

(E) If in a form that combines the licensee's notice with other information, uses distinctive type size, style, and graphic devices, such as shading or sidebars; and

(F) If on a web page, the notice shall contain text or visual cues to encourage scrolling down the page if necessary to view the entire notice (such as text, graphics, hyperlinks, or sound). The licensee calls attention to the nature and significance of the information on its website if the licensee either:

(i) Places the notice on a screen that consumers frequently access, such as a page on which transactions are conducted; or

(ii) Places a link on a screen that consumers frequently access, such as a page on which transactions are conducted, that connects directly to the notice and is labeled appropriately to convey the importance, nature, and relevance of the notice.

(Adopted effective June 7, 2002)

Sec. 38a-8-107. Initial privacy notice to consumers required

(a) A licensee shall provide a clear and conspicuous notice that accurately reflects its privacy policies and practices to:

(1) A consumer, before the licensee discloses any nonpublic personal financial information about the consumer to any nonaffiliated third party, if the licensee makes a disclosure other than as authorized by section 38a-8-117 or section 38a-8-118 of the Regulations of Connecticut State Agencies; and to

(2) An individual who becomes the licensee's customer, not later than when the licensee establishes a customer relationship, except as provided in subsection (d) of this section. A licensee establishes a customer relationship when the licensee and the consumer enter into a continuing relationship such as when the consumer:

(A) Becomes a policyholder of a licensee that is an insurer when the insurer delivers an insurance policy or contract to the consumer, or in the case of a licensee that is an insurance producer or insurance broker, obtains insurance through that licensee; or

(B) Agrees to obtain financial, economic, or investment advisory services relating to insurance products or services for a fee from the licensee.

(b) A licensee is not required to provide an initial notice to a consumer under subsection (a)(1) of this section if:

(1) The licensee does not disclose any nonpublic personal financial information about the consumer to any nonaffiliated third party, other than as authorized by section 38a-8-117 or section 38a-8-118 of the Regulations of Connecticut State Agencies, and the licensee does not have a customer relationship with the consumer; or

(2) A notice has been provided by an affiliated licensee, as long as the notice clearly identifies all licensees to whom the notice applies and is accurate with respect to the licensee and the other institutions.

(c) When an existing customer obtains a new insurance product or service from a licensee that is to be used primarily for personal, family, or household purposes, the licensee satisfies the initial notice requirements of subsection (a) of this section as follows:

(1) The licensee provides a revised policy notice as set forth in section 38a-8-111 of the Regulations of Connecticut State Agencies that covers the customer's new insurance product or service; or

(2) The initial, revised, or annual notice that the licensee most recently provided to that customer was accurate with respect to the new insurance product or service.

(d) A licensee may provide the initial notice required by subsection (a)(1) of this section within a reasonable time after the licensee establishes a customer relationship if:

(1) Establishing the customer relationship is not at the customer's election, including, but not limited to when a licensee acquires or is assigned a customer's policy from another financial institution or residual market mechanism and the customer does not have a choice about the licensee's acquisition or assignment; or

(2) Providing notice not later than when the licensee establishes a customer relationship would substantially delay the customer's transaction and the customer agrees to receive the notice at a later time including, but not limited to when the licensee and the individual agree over the telephone to enter into a customer relationship involving prompt delivery of the insurance product or service or when the relationship is initiated in person at the licensee's office or through other means by which the customer may view the notice, such as on a website.

(Adopted effective June 7, 2002)

Sec. 38a-8-108. Annual privacy notice to customers required

(a) A licensee shall provide a clear and conspicuous notice to customers that accurately reflects its privacy policies and practices not less than annually during the continuation of the customer relationship. Annually means at least once in any period of twelve consecutive months during which that customer relationship exists. A licensee may define the twelve-consecutive-month period, but the licensee shall apply it to the customer on a consistent basis. A licensee provides a notice annually if it defines the twelve-consecutive-month period as a calendar year and provides the annual notice to the customer once in each calendar year following the calendar year in which the licensee provided the initial notice.

(b) A licensee is not required to provide an annual notice to a former customer.

(c) When a licensee is required by this section to deliver an annual privacy notice, the licensee shall deliver it according to section 38a-8-112 of the Regulations of Connecticut State Agencies.

(Adopted effective June 7, 2002)

Sec. 38a-8-109. Information to be included in privacy notices

(a) The initial, annual, and revised privacy notices that a licensee provides as set forth in section 38a-8-107, section 38a-8-108, and section 38a-8-111 of the Regulations of Connecticut State Agencies shall include each of the following items of information, in addition to any other information the licensee wishes to provide, that apply to the licensee and to the consumers to whom the licensee sends its privacy notice:

(1) The categories of nonpublic personal financial information that the licensee collects;

(2) The categories of nonpublic personal financial information that the licensee discloses;

(3) The categories of affiliates and nonaffiliated third parties to whom the licensee discloses nonpublic personal financial information, other than those parties to whom the licensee discloses information as set forth in section 38a-8-117 or section 38a-8-118 of the Regulations of Connecticut State Agencies;

(4) The categories of nonpublic personal financial information about the licensee's former customers that the licensee discloses and the categories of affiliates and nonaffiliated third parties to whom the licensee discloses nonpublic personal financial information about the licensee's former customers, other than those parties to whom the licensee discloses information as set forth in section 38a-8-117 or section 38a-8-118 of the Regulations of Connecticut State Agencies;

(5) If a licensee discloses nonpublic personal financial information to a nonaffiliated third party as set forth in section 38a-8-116 of the Regulations of Connecticut State Agencies (and no other exception in section 38a-8-117 or section 38a-8-118 of the Regulations of Connecticut State Agencies applies to that disclosure), a separate description of the categories of information the licensee discloses and the categories of third parties with whom the licensee has contracted;

(6) An explanation of the consumer's right as set forth in section 38a-8-113 of the Regulations of Connecticut State Agencies to opt out of the disclosure of nonpublic personal financial information to nonaffiliated third parties, including the methods by which the consumer may exercise that right at that time;

(7) Any disclosures that the licensee makes as set forth in section 603(d)(2)(A)(iii) of the federal Fair Credit Reporting Act (15 USC 1681a(d)(2)(A)(iii)) (that is, notices regarding the ability to opt out of disclosures of information among affiliates);

(8) The licensee's policies and practices with respect to protecting the confidentiality and security of nonpublic personal financial information; and

(9) Any disclosure that the licensee makes as set forth in subsection (b) of this section.

(b) If a licensee discloses nonpublic personal financial information as authorized by section 38a-8-117 or section 38a-8-118 of the Regulations of Connecticut State Agencies, the licensee is not required to list those exceptions in the initial, annual, or revised privacy notices required by section 38a-8-107, section 38a-8-108, or section 38a-8-111 of the Regulations of Connecticut State Agencies. When describing the categories of parties to whom disclosure is made, the licensee is required to state only that it makes disclosures to other affiliated or nonaffiliated third parties, as applicable, as permitted by law.

(c) A licensee satisfies the requirement to categorize the nonpublic personal financial information it collects if the licensee categorizes the information according to the source of the information, as applicable, for example:

(1) Information from the consumer;

(2) Information about the consumer's transactions with the licensee or the licensee's affiliates;

(3) Information about the consumer's transactions with nonaffiliated third parties; and

(4) Information from a consumer reporting agency.

(d) A licensee satisfies the requirement to categorize nonpublic personal financial information it discloses if the licensee categorizes the information according to source, as described in subsection (c) of this section, as applicable, and provides a few examples to illustrate the types of information in each category. Examples may include:

(1) Information from the consumer, including application information such as assets and income, and identifying information such as name, address, and social security number;

(2) Specific transaction information, such as information about balances, payment history, and parties to the transaction; and

(3) Information from consumer reports, such as a consumer's creditworthiness and credit history.

(e) A licensee does not adequately categorize the information that it discloses if the licensee uses only general terms such as "transaction information about the consumer."

(f) If a licensee reserves the right to disclose all of the nonpublic personal financial information about consumers that it collects, the licensee may simply state that fact without describing the categories or examples of nonpublic personal financial information that the licensee discloses.

(g) A licensee satisfies the requirement to categorize the affiliates and nonaffiliated third parties to which the licensee discloses nonpublic personal financial information about consumers if the licensee identifies the types of businesses in which they engage. Types of businesses may be described by general terms only if the licensee uses a few illustrative examples of significant lines of business. A licensee also may categorize the affiliates and nonaffiliated third parties to which it discloses nonpublic personal financial information about consumers using more detailed categories.

(h) If a licensee discloses nonpublic personal financial information authorized by section 38a-8-116 of the Regulations of Connecticut State Agencies to a nonaffiliated third party to market products or services that it offers alone or jointly with another financial institution, the licensee satisfies the disclosure requirement of subsection (a)(5) of this section if it:

(1) Lists the categories of nonpublic personal financial information it discloses, using the same categories and examples the licensee used to meet the requirements of subsection (a)(2) of this section, as applicable; and

(2) States whether the third party is:

(A) A service provider that performs marketing services on the licensee's behalf or on behalf of the licensee and another financial institution; or

(B) A financial institution with whom the licensee has a joint marketing agreement.

(i) If a licensee does not disclose, and does not wish to reserve the right to disclose, nonpublic personal financial information about customers or former customers to affiliates or nonaffiliated third parties except as authorized under section 38a-8-117 or section 38a-8-118 of the Regulations of Connecticut State Agencies, the licensee may simply state that fact, in addition to the information it shall provide as set forth

in section 38a-8-109(a)(1), section 38a-8-109(a)(8), section 38a-8-109(a)(9), and section 38a-8-109(b) of the Regulations of Connecticut State Agencies.

(j) A licensee describes its policies and practices with respect to protecting the confidentiality and security of nonpublic personal financial information if it:

(1) Describes in general terms who is authorized to have access to the information; and

(2) States whether the licensee has security practices and procedures in place to ensure the confidentiality of the information in accordance with the licensee's policy. The licensee is not required to describe technical information about the safeguards that it utilizes.

(k) A licensee may satisfy the initial notice requirements in section 38a-8-107(a)(2) and section 38a-8-110(g) of the Regulations of Connecticut State Agencies for a consumer who is not a customer by providing a short-form initial notice at the same time as the licensee delivers an opt out notice as required in section 38a-8-110 of the Regulations of Connecticut State Agencies. The licensee shall deliver its short-form initial notice in accordance with section 38a-8-112 of the Regulations of Connecticut State Agencies. The licensee is not required to deliver its privacy notice with its short-form initial notice. The licensee instead may provide the consumer a reasonable means to obtain its privacy notice. If a consumer who receives the licensee's short-form notice requests the licensee's privacy notice, the licensee shall deliver its privacy notice in accordance with section 38a-8-112 of the Regulations of Connecticut State Agencies. A short-form initial notice shall:

(1) Be clear and conspicuous;

(2) State that the licensee's privacy notice is available upon request; and

(3) Explain a reasonable means by which the consumer may obtain that notice.

(l) The licensee provides a reasonable means by which a consumer may obtain a copy of its privacy notice if the licensee, for example:

(1) Provides a toll-free telephone number that the consumer may call to request the notice; or

(2) For a consumer who conducts business in person at the licensee's office, maintains copies of the notice on hand that the licensee provides to the consumer immediately upon request.

(m) The licensee's notice may include:

(1) Categories of nonpublic personal financial information that the licensee reserves the right to disclose in the future, but does not currently disclose; and

(2) Categories of affiliates or nonaffiliated third parties to whom the licensee reserves the right in the future to disclose, but to whom the licensee does not currently disclose, nonpublic personal financial information.

(Adopted effective June 7, 2002)

Sec. 38a-8-110. Form of opt out notice to consumers and opt out methods

(a) If a licensee is required to provide an opt out notice as set forth in section 38a-8-113(a) of the Regulations of Connecticut State Agencies, it shall provide a clear and conspicuous notice to each of its consumers that accurately explains that right to opt out. The opt out notice shall:

(1) State that the licensee discloses or reserves the right to disclose nonpublic personal financial information about its consumer to a nonaffiliated third party;

(2) State that the consumer has the right to opt out of that disclosure; and

(3) Provide a reasonable means by which the consumer may exercise the opt out right.

(b) A licensee provides adequate notice that the consumer can opt out of the disclosure of nonpublic personal financial information to a nonaffiliated third party if the licensee:

(1) Identifies all of the categories of nonpublic personal financial information that it discloses or reserves the right to disclose, and all of the categories of nonaffiliated third parties to which the licensee discloses the information as described in section 38a-8-109(a)(2) and section 38a-8-109(a)(3) of the Regulations of Connecticut State Agencies, and states that the consumer can opt out of the disclosure of that information; and

(2) Identifies the insurance products or services that the consumer obtains from the licensee, either singly or jointly, to which the opt out direction would apply.

(c) A licensee provides a reasonable means to exercise an opt out right if it:

(1) Designates check-off boxes in a prominent position on a reply form(s);

(2) Includes a reply form together with the opt out notice;

(3) Provides an electronic means to opt out, such as a form that can be sent via electronic mail or a process at the licensee's web site, if the consumer agrees to the electronic delivery of information; or

(4) Provides a toll-free telephone number that consumers may call to opt out.

(d) A licensee does not provide a reasonable means to opt out if:

(1) The only means to opt out is for the consumer to write his or her own letter to exercise that opt out right; or

(2) The only means to opt out as described in any notice subsequent to the initial notice is to use a check-off box on a reply form that the licensee provided with the initial notice but did not include with the subsequent notice.

(e) A licensee may require each consumer to opt out through a specific means, as long as that means is reasonable for that consumer.

(f) A licensee may provide the opt out notice together with or on the same written or electronic form as the initial notice the licensee provides in accordance with section 38a-8-107 of the Regulations of Connecticut State Agencies.

(g) If a licensee provides the opt out notice later than required for the initial notice in accordance with section 38a-8-107 of the Regulations of Connecticut State Agencies, the licensee shall also include a copy of the initial notice with the opt out notice in writing or, if the consumer agrees, electronically.

(h) If two or more consumers jointly obtain an insurance product or service from a licensee, the licensee may provide a single opt out notice. The licensee's opt out notice shall explain how the licensee will treat an opt out direction by a joint consumer. Any of the joint consumers may exercise the right to opt out. The licensee may:

(1) Treat an opt out direction by a joint consumer as applying to all of the associated joint consumers; or

(2) Permit each joint consumer to opt out separately.

(i) If a licensee permits each joint consumer to opt out separately, the licensee shall permit one of the joint consumers to opt out on behalf of all of the joint consumers.

(j) A licensee may not require all joint consumers to opt out before it implements any opt out direction.

(k) A licensee shall comply with a consumer's opt out direction as soon as reasonably practicable after the licensee receives it.

(l) A consumer may exercise the right to opt out at any time.

(m) A consumer's direction to opt out as set forth in this section is effective until the consumer revokes it in writing or, if the consumer agrees, electronically.

(n) When a customer ceases to have a continuing relationship with a licensee, the customer's opt out direction continues to apply to the nonpublic personal financial information that the licensee collected during or related to that relationship. If the former customer establishes a new customer relationship with the licensee, the opt out direction that applied to the former relationship shall not apply to the new relationship.

(o) A surplus lines broker or surplus lines insurer shall be deemed to be in compliance with initial notice in section 38a-8-107 of the Regulations of Connecticut State Agencies, the annual notice in section 38a-8-108 of the Regulations of Connecticut State Agencies, the revised notice in section 38a-8-111 of the Regulations of Connecticut State Agencies, and opt out in section 38a-8-110 and 38a-8-113 of the Regulations of Connecticut State Agencies if:

(1) The surplus lines broker or surplus lines insurer does not disclose nonpublic personal financial information of a consumer or a customer to nonaffiliated third parties for any purpose, including joint servicing or marketing as set forth in section 38a-8-116 of the Regulations of Connecticut State Agencies, except as permitted by section 38a-8-117 or 38a-8-118 of the Regulations of Connecticut State Agencies; and

(2) The surplus lines broker or surplus lines insurer delivers a notice to the consumer at the time a customer relationship is established on which the following is printed in 16-point type:

PRIVACY NOTICE

NEITHER THE U.S. BROKERS THAT HANDLED THIS INSURANCE NOR THE INSURERS THAT HAVE UNDERWRITTEN THIS INSURANCE WILL DISCLOSE NONPUBLIC PERSONAL FINANCIAL INFORMATION CONCERNING THE BUYER TO NONAFFILIATES OF THE BROKERS OR INSURERS EXCEPT AS PERMITTED BY LAW.

(Adopted effective June 7, 2002)

Sec. 38a-8-111. Revised privacy notices

(a) Except as otherwise permitted by section 38a-8-116, 38a-8-117, or 38a-8-118 of the Regulations of Connecticut State Agencies, a licensee shall not, directly or through an affiliate, disclose any nonpublic personal financial information about a consumer to a nonaffiliated third party other than as described in the initial notice that the licensee provided to that consumer as set forth in section 38a-8-107 of the Regulations of Connecticut State Agencies, unless:

(1) The licensee has provided to the consumer a clear and conspicuous revised notice that accurately describes its policies and practices;

(2) The licensee has provided to the consumer a new opt out notice;

(3) The licensee has given the consumer a reasonable opportunity, before the licensee discloses the information to the nonaffiliated third party, to opt out of the disclosure; and

(4) The consumer does not opt out.

(b) Except as otherwise permitted by section 38a-8-116, 38a-8-117, or 38a-8-118 of the Regulations of Connecticut State Agencies, a licensee shall provide a revised notice before it:

(1) Discloses a new category of nonpublic personal financial information to any nonaffiliated third party;

(2) Discloses nonpublic personal financial information to a new category of nonaffiliated third party; or

(3) Discloses nonpublic personal financial information about a former customer to a nonaffiliated third party, if that former customer has not had the opportunity to exercise an opt out right regarding that disclosure.

(c) A revised notice is not required if the licensee discloses nonpublic personal financial information to a new nonaffiliated third party that the licensee adequately described in its prior notice.

(Adopted effective June 7, 2002)

Sec. 38a-8-112. Delivery

(a) A licensee shall provide all notices that sections 38a-8-105 to 38a-8-123 of the Regulations of Connecticut State Agencies require so that each consumer can reasonably be expected to receive actual notice in writing or, if the consumer agrees, electronically.

(b) A licensee may reasonably expect that a consumer will receive actual notice if the licensee:

(1) Hand-delivers a printed copy of the notice to the consumer;

(2) Mails a printed copy of the notice to the last known address of the consumer separately, or in a policy, billing, or other written communication;

(3) For a consumer who conducts transactions electronically, posts the notice on the electronic site and requires the consumer to acknowledge receipt of the notice as a necessary step to obtaining a particular insurance product or service;

(4) For an isolated transaction with a consumer, such as the licensee providing an insurance quote or selling the consumer travel insurance, posts the notice and requires the consumer to acknowledge receipt of the notice as a necessary step to obtaining the particular insurance product or service.

(c) A licensee may not, however, reasonably expect that a consumer will receive actual notice of its privacy policies and practices if it:

(1) Only posts a sign in its office or generally publishes advertisements of its privacy policies and practices; or

(2) Sends the notice via electronic mail to a consumer who does not obtain an insurance product or service from the licensee electronically.

(d) A licensee may reasonably expect that a customer will receive actual notice of the licensee's annual privacy notice if:

(1) The customer uses the licensee's web site to access insurance products and services electronically and agrees to receive notices at the web site and the licensee posts its current privacy notice continuously in a clear and conspicuous manner on the web site; or

(2) The customer has requested that the licensee refrain from sending any information regarding the customer relationship and the licensee's current privacy notice remains available to the customer upon request.

(e) A licensee shall not provide any notice required by sections 38a-8-105 to 38a-8-123 of the Regulations of Connecticut State Agencies solely by orally explaining the notice, either in person or over the telephone.

(f) For customers only, a licensee shall provide the initial notice required by section 38a-8-107(a)(1) of the Regulations of Connecticut State Agencies, the annual notice required by section 38a-8-108(a) of the Regulations of Connecticut State Agencies, and the revised notice required by section 38a-8-111 of the Regulations of Connecticut State Agencies so that the customer can retain them or obtain them later in writing or, if the customer agrees, electronically. A licensee provides a privacy notice to the customer so that the customer can retain it or obtain it later if the licensee, for example:

- (1) Hand-delivers a printed copy of the notice to the customer;
- (2) Mails a printed copy of the notice to the last known address of the customer; or
- (3) Makes its current privacy notice available on a web site (or a link to another web site) for the customer who obtains an insurance product or service electronically and agrees to receive the notice at the web site.

(g) A licensee may provide a joint notice from the licensee and one or more of its affiliates or other financial institutions as identified in the notice, as long as the notice is accurate with respect to the licensee and the other financial institutions. A licensee also may provide a notice on behalf of another financial institution.

(h) If two or more consumers jointly obtain an insurance product or service from a licensee, the licensee may satisfy the initial notice requirements in section 38a-8-107 of the Regulations of Connecticut State Agencies, the annual notice requirements in section 38a-8-108 of the Regulations of Connecticut State Agencies, and the revised notice requirements in section 38a-8-111 of the Regulations of Connecticut State Agencies, respectively, by providing one notice to those consumers jointly.

(i) A licensee shall provide any notice required by section 38a-8-107, 38a-8-108, 38a-8-110, 38a-8-111, or 38a-8-113 of the Regulations of Connecticut State Agencies, and notices required by section 38a-975 to 38a-998 of the Connecticut General Statutes, through the use of separate notices or a combined notice, so long as the notices are clear and conspicuous.

(Adopted effective June 7, 2002)

Sec. 38a-8-113. Limits on disclosure of nonpublic personal financial information to nonaffiliated third parties

(a) Except as otherwise authorized in sections 38a-8-105 to 38a-8-123 of the Regulations of Connecticut State Agencies, a licensee shall not, directly or through any affiliate, disclose any nonpublic personal financial information about a consumer to a nonaffiliated third party unless:

(1) The licensee has provided to the consumer an initial notice as set forth in section 38a-8-107 of the Regulations of Connecticut State Agencies;

(2) The licensee has provided to the consumer an opt out notice as required in section 38a-8-110 of the Regulations of Connecticut State Agencies;

(3) The licensee has given the consumer a reasonable opportunity, before it discloses the information to the nonaffiliated third party, to opt out of the disclosure; and

(4) The consumer does not opt out. "Opt out" means a direction by the consumer that the licensee not disclose nonpublic personal financial information about that consumer to a nonaffiliated third party, other than as permitted by section 38a-8-116, 38a-8-117, or 38a-8-118 of the Regulations of Connecticut State Agencies.

(b) A licensee provides a consumer with a reasonable opportunity to opt out if:

(1) The licensee mails the notices required to the consumer and allows the consumer to opt out by mailing a form, calling a toll-free telephone number, or any other reasonable means within thirty days from the date the licensee mailed the notices.

(2) A customer opens an on-line account with a licensee and agrees to receive the notices required electronically, and the licensee allows the customer to opt out by any reasonable means within thirty days after the date that the customer acknowledges receipt of the notices in conjunction with opening the account.

(c) For an isolated transaction such as providing the consumer with an insurance quote, a licensee provides the consumer with a reasonable opportunity to opt out if the licensee provides the notices required at the time of the transaction and requests

that the customer decide, as a necessary part of the transaction, whether to opt out before completing the transaction.

(d) A licensee shall comply with this section regardless of whether the licensee and the consumer have established a customer relationship.

(e) Unless a licensee complies with this section, the licensee may not, directly or through any affiliate, disclose any nonpublic personal financial information about a consumer that the licensee has collected, regardless of whether the licensee collected it before or after receiving the direction to opt out from the consumer.

(f) A licensee may allow a consumer to select certain nonpublic personal financial information or certain nonaffiliated third parties with respect to which the consumer wishes to opt out.

(Adopted effective June 7, 2002)

Sec. 38a-8-114. Limits on redisclosure and reuse of nonpublic personal financial information

(a) If a licensee receives nonpublic personal financial information from a nonaffiliated financial institution under an exception in section 38a-8-117 or 38a-8-118 of the Regulations of Connecticut State Agencies, the licensee's disclosure and use of that information is limited as follows:

(1) The licensee may disclose the information to the affiliates of the financial institution from which the licensee received the information;

(2) The licensee may disclose the information to its affiliates, but the licensee's affiliates may, in turn, disclose and use the information only to the extent that the licensee may disclose and use the information; and

(3) The licensee may disclose and use the information pursuant to an exception in section 38a-8-117 or 38a-8-118 of the Regulations of Connecticut State Agencies in the ordinary course of business to carry out the activity covered by the exception under which the licensee received the information.

(b) If a licensee receives information from a nonaffiliated financial institution for claims settlement purposes, the licensee may disclose the information for fraud prevention, or in response to a properly authorized subpoena. The licensee may not disclose that information to a third party for marketing purposes or use that information for its own marketing purposes.

(c) If a licensee receives nonpublic personal financial information from a nonaffiliated financial institution other than under an exception in section 38a-8-117 or section 38a-8-118 of the Regulations of Connecticut State Agencies, the licensee may disclose the information only:

(1) To the affiliates of the financial institution from which the licensee received the information;

(2) To its affiliates, but its affiliates may, in turn, disclose the information only to the extent that the licensee may disclose the information; and

(3) To any other person, if the disclosure would be lawful if made directly to that person by the financial institution from which the licensee received the information.

(d) If a licensee obtains a customer list from a nonaffiliated financial institution outside of the exceptions in section 38a-8-117 or section 38a-8-118 of the Regulations of Connecticut State Agencies:

(1) The licensee may use that list for its own purposes; and

(2) The licensee may disclose that list to another nonaffiliated third party only if the financial institution from which the licensee purchased the list could have lawfully disclosed the list to that third party. That is, the licensee may disclose the list in accordance with the privacy policy of the financial institution from which

the licensee received the list, as limited by the opt out direction of each consumer whose nonpublic personal financial information the licensee intends to disclose, and the licensee may disclose the list in accordance with an exception in section 38a-8-117 or 38a-8-118 of the Regulations of Connecticut State Agencies, such as to the licensee's attorneys or accountants.

(e) If a licensee discloses nonpublic personal financial information to a nonaffiliated third party under an exception in section 38a-8-117 or 38a-8-118 of the Regulations of Connecticut State Agencies, the third party may disclose and use that information only as follows:

- (1) The third party may disclose the information to the licensee's affiliates;
- (2) The third party may disclose the information to its affiliates, but its affiliates may, in turn, disclose and use the information only to the extent that the third party may disclose and use the information; and
- (3) The third party may disclose and use the information pursuant to an exception in section 38a-8-117 or 38a-8-118 of the Regulations of Connecticut State Agencies, in the ordinary course of business to carry out the activity covered by the exception under which it received the information.

(f) If a licensee discloses nonpublic personal financial information to a nonaffiliated third party other than under an exception in section 38a-8-117 or 38a-8-118 of the Regulations of Connecticut State Agencies, the third party may disclose the information only:

- (1) To the licensee's affiliates;
- (2) To the third party's affiliates, but the third party's affiliates, in turn, may disclose the information only to the extent the third party can disclose the information; and
- (3) To any other person, if the disclosure would be lawful if the licensee made it directly to that person.

(Adopted effective June 7, 2002)

Sec. 38a-8-115. Limits on sharing account number information for marketing purposes

(a) A licensee shall not, directly or through an affiliate, disclose, other than to a consumer reporting agency, a policy number or similar form of access number or access code for a consumer's policy or transaction account to any nonaffiliated third party for use in telemarketing, direct mail marketing, or other marketing through electronic mail to the consumer.

(b) Subsection (a) of this section shall not apply if a licensee discloses a policy number or similar form of access number or access code:

- (1) To the licensee's service provider solely in order to perform marketing for the licensee's own products or services, as long as the service provider is not authorized to directly initiate charges to the account;
- (2) To a licensee who is a producer solely in order to perform marketing for the licensee's own products or services.

(3) To a participant in an affinity program where the participants in the program are identified to the customer when the customer enters into the program.

(c) A policy number, or similar form of access number or access code does not include a number or code in an encrypted form, as long as the licensee does not provide the recipient with a means to decode the number or code.

(d) For the purposes of this section, a policy or transaction account is an account other than a deposit account or a credit card account. A policy or transaction account does not include an account to which third parties cannot initiate charges.

(Adopted effective June 7, 2002)

Sec. 38a-8-116. Exception to opt out requirements for disclosure of nonpublic personal financial information for service providers and joint marketing

(a) The opt out requirements in sections 38a-8-110 and 38a-8-113 of the Regulations of Connecticut State Agencies shall not apply when a licensee provides nonpublic personal financial information to a nonaffiliated third party to perform services for the licensee or functions on the licensee's behalf, if the licensee:

(1) Provides the initial notice in accordance with section 38a-8-107 of the Regulations of Connecticut State Agencies; and

(2) Enters into a contractual agreement with the third party that prohibits the third party from disclosing or using the information other than to carry out the purposes for which the licensee disclosed the information, including use under an exception in section 38a-8-117 or 38a-8-118 of the Regulations of Connecticut State Agencies, in the ordinary course of business to carry out those purposes.

(b) If a licensee discloses nonpublic personal financial information as set forth in this section to a financial institution with which the licensee performs joint marketing, the licensee's contractual agreement with that financial institution meets the requirements of subsection (a)(2) of this section if it prohibits the financial institution from disclosing or using the nonpublic personal financial information except as necessary to carry out the joint marketing or under an exception in section 38a-8-117 or 38a-8-118 of the Regulations of Connecticut State Agencies, in the ordinary course of business to carry out that joint marketing.

(c) The services a nonaffiliated third party performs for a licensee may include marketing of the licensee's own products or services or marketing of financial products or services offered pursuant to joint agreements between the licensee and one or more financial institutions.

(d) For purposes of this section, "joint agreement" means a written contract pursuant to which a licensee and one or more financial institutions jointly offer, endorse, or sponsor a financial product or service.

(Adopted effective June 7, 2002)

Sec. 38a-8-117. Exceptions to notice and opt out requirements for disclosure of nonpublic personal financial information for processing and servicing transactions

(a) The requirements for the initial notice in section 38a-8-107 of the Regulations of Connecticut State Agencies, the annual notice in section 38a-8-108 of the Regulations of Connecticut State Agencies, the revised notice in section 38a-8-111 of the Regulations of Connecticut State Agencies, and opt out in section 38a-8-110 and 38a-8-113 of the Regulations of Connecticut State Agencies do not apply if the licensee:

(1) Is an employee, agent, or other representative of another licensee ("the principal") including, but not limited to:

(A) An insurance broker, public adjuster, or other licensee who is employed by another insurance broker, public adjuster, or other licensee;

(B) An independent adjuster adjusting a claim or benefit on behalf of an insurer;

(C) An insurance agent of an insurer;

(D) An insurance broker that has binding authority for an insurer; or

(E) A sublicensee of a licensee, whether or not the sublicensee is licensed in any other capacity; and

(2) The principal otherwise complies with, and provides the notices required by sections 38a-8-105 to 38a-8-123 of the Regulations of Connecticut State Agencies; and

(3) The licensee does not disclose any nonpublic personal financial information to any person other than the principal or the principal's affiliates in a manner permitted by sections 38a-8-105 to 38a-8-123 of the Regulations of Connecticut State Agencies.

(b) The requirements for the initial notice in section 38a-8-107 of the Regulations of Connecticut State Agencies, the opt out in sections 38a-8-110 and 38a-8-113 of the Regulations of Connecticut State Agencies, and requirements for service providers and joint marketing in section 38a-8-116 of the Regulations of Connecticut State Agencies shall not apply if the licensee discloses nonpublic personal financial information as necessary to effect, administer, or enforce a transaction that a consumer requests or authorizes, or in connection with:

(1) Servicing or processing an insurance product or service that a consumer requests or authorizes;

(2) Maintaining or servicing the consumer's account with a licensee; or with another entity as part of a private label credit card program or other extension of credit on behalf of such entity;

(3) A proposed or actual securitization, secondary market sale (including sales of servicing rights), or similar transaction related to a transaction of the consumer; or

(4) Reinsurance or stop loss or excess loss insurance.

(c) The disclosure of nonpublic personal financial information shall be deemed necessary to effect, administer, or enforce a transaction if disclosure is:

(1) Required, or is one of the lawful or appropriate methods to enforce the licensee's rights or the rights of other persons engaged in carrying out the financial transaction or providing the product or service; or

(2) Required, usual, appropriate, or an acceptable method:

(A) To carry out the transaction or the product, to service business of which the transaction is a part, to record, service, or maintain the consumer's account in the ordinary course of providing the insurance product or service;

(B) To administer or service benefits or claims relating to the transaction or the product, or to service business of which it is a part;

(C) To provide a confirmation, statement, or other record of the transaction, or information on the status or value of the insurance product or service to the consumer, the consumer's agent, broker, or to the policyholder of a worker's compensation plan;

(D) To accrue or recognize incentives or bonuses associated with the transaction that are provided by a licensee or any other party;

(E) To underwrite insurance at the consumer's request or for any of the following purposes as they relate to a consumer's insurance: account administration, reporting, investigating or preventing fraud or material misrepresentation, processing premium payments, processing insurance claims, administering insurance benefits (including utilization review activities), participating in research projects, or as otherwise required or specifically permitted by federal or state law; or

(F) In connection with:

(i) The authorization, settlement, billing, processing, clearing, transferring, reconciling or collection of amounts charged, debited or otherwise paid using a debit, credit or other payment card, check or account number, or by other payment means;

(ii) The transfer of receivables, accounts, or interests therein; or

(iii) The audit of debit, credit, or other payment information.

(Adopted effective June 7, 2002)

Sec. 38a-8-118. Other exceptions to initial notice and opt out requirements for disclosure of nonpublic personal financial information

(a) The requirements for initial notice to consumers in section 38a-8-107 of the Regulations of Connecticut State Agencies, the opt out in sections 38a-8-110 and 38a-8-113 of the Regulations of Connecticut State Agencies, and requirements for service providers and joint marketing in section 38a-8-116 of the Regulations of Connecticut State Agencies shall not apply when a licensee discloses nonpublic personal financial information:

(1) With the consent or at the direction of the consumer, provided that the consumer has not revoked the consent or direction;

(2) To protect the confidentiality or security of a licensee's records pertaining to the consumer, service, product, or transaction;

(3) To protect against or prevent actual or potential fraud or unauthorized transactions;

(4) For institutional risk control required by applicable law or for resolving consumer disputes or inquiries;

(5) To persons holding a legal or beneficial interest relating to the consumer;

(6) To persons acting in a fiduciary or representative capacity on behalf of the consumer;

(7) To provide information to insurance rate advisory organizations, guaranty funds or agencies, agencies that are rating a licensee, persons that are assessing the licensee's compliance with industry standards, the licensee's attorneys, accountants, or auditors;

(8) To the extent specifically permitted or required under other provisions of law and in accordance with the federal Right to Financial Privacy Act of 1978 (12 USC 3401 et seq.), to law enforcement agencies (including the Federal Reserve Board, Office of the Comptroller of the Currency, Federal Deposit Insurance Corporation, Office of Thrift Supervision, National Credit Union Administration, the Securities and Exchange Commission, the Secretary of the Treasury, with respect to 31 USC Chapter 53, Subchapter II (Records and Reports on Monetary Instruments and Transactions) and 12 USC 21 (Financial Record keeping), a state insurance authority, the Federal Trade Commission, self-regulatory organizations, or for an investigation on a matter related to public safety;

(9) To a consumer reporting agency in accordance with the federal Fair Credit Reporting Act (15 USC 1681 et seq.); or from a consumer report reported by a consumer reporting agency;

(10) In connection with a proposed or actual sale, merger, transfer, or exchange of all or a portion of a business or operating unit if the disclosure of nonpublic personal financial information concerns solely consumers of the business or unit;

(11) To comply with federal, state, or local laws, rules, and other applicable legal requirements;

(12) To comply with a properly authorized civil, criminal, or regulatory investigation, subpoena, or summons by federal, state, or local authorities;

(13) To respond to judicial process or government regulatory authorities having jurisdiction over a licensee for examination, compliance, or other purposes as authorized by law; or

(14) For purposes related to the replacement of a group benefit plan, a group health plan, a group welfare plan, or workers' compensation plan.

(b) A consumer may revoke consent by subsequently exercising the right to opt out of future disclosures of nonpublic personal financial information as permitted under section 38a-8-110(l) of the Regulations of Connecticut State Agencies.

(c) Licensees in liquidation or receivership are not subject to the notice provisions of section 38a-8-107, section 38a-8-108, section 38a-8-110, and section 38a-8-111 of the Regulations of Connecticut State Agencies.

(Adopted effective June 7, 2002)

Sec. 38a-8-119. Protection of federal fair credit reporting act

Nothing in sections 38a-8-105 to 38a-8-123 of the Regulations of Connecticut State Agencies shall be construed to modify, limit, or supersede the operation of the federal Fair Credit Reporting Act (15 USC 1681 et seq.), and no inference shall be drawn on the basis of the provisions of the Regulations of Connecticut State Agencies regarding whether information is transaction or experience information as set forth in section 603 of the federal Fair Credit Reporting Act.

(Adopted effective June 7, 2002)

Sec. 38a-8-120. Nondiscrimination

A licensee does not unfairly discriminate against any consumer or customer because that consumer or customer has opted out from the disclosure of their nonpublic personal financial information pursuant to the provisions of sections 38a-8-105 to 38a-8-123 of the Regulations of Connecticut State Agencies.

(Adopted effective June 7, 2002)

Sec. 38a-8-121. Rules for health information

A licensee shall comply with all applicable state and federal statutes and regulations to protect the confidentiality of health information.

(Adopted effective June 7, 2002)

Sec. 38a-8-122. Effective date and compliance

(a) Until July 1, 2002, a contract that a licensee has entered into with a nonaffiliated third party to perform services for the licensee or functions on the licensee's behalf satisfies the provisions of section 38a-8-116(a)(2) of the Regulations of Connecticut State Agencies, even if the contract does not include a requirement that the third party maintain the confidentiality of nonpublic personal financial information, as long as the licensee entered into the agreement on or before the date sections 38a-8-105 to 38a-8-123 of the Regulations of Connecticut State Agencies becomes effective.

(b) The examples and sample clauses included in sections 38a-8-105 to 38a-8-123 of the Regulations of Connecticut State Agencies and Appendix to sections 38a-8-105 to 38a-8-123 of the Regulations of Connecticut State Agencies are not exclusive. Compliance with an example or use of a sample clause, to the extent applicable, constitutes compliance with sections 38a-8-105 to 38a-8-123 of the Regulations of Connecticut State Agencies.

(Adopted effective June 7, 2002)

Sec. 38a-8-123. Severability

If any portion of sections 38a-8-105 to 38a-8-123 of the Regulations of Connecticut State Agencies or its applicability to any person or circumstance is held invalid by a court, the remainder of the regulation or the applicability of the provision to other persons or circumstances shall not be affected.

APPENDIX A-Sample Clauses

Licensees, including a group of financial holding company affiliates that use a common privacy notice, may use the following sample clauses, if the clause is accurate for each institution that uses the notice. (Note that disclosure of certain

information, such as assets, income, and information from a consumer reporting agency, may give rise to obligations under the federal Fair Credit Reporting Act, such as a requirement to permit a consumer to opt out of disclosures to affiliates or designation as a consumer reporting agency if disclosures are made to nonaffiliated third parties.)

A-1-Categories of information a licensee collects (all institutions)

A licensee may use this clause, as applicable, to meet the requirement of section 38a-8-109(a)(1) of the Regulations of Connecticut State Agencies to describe the categories of nonpublic personal financial information the licensee collects.

Sample Clause A-1:

We collect nonpublic personal financial information about you from the following sources:

- Information we receive from you on applications or other forms;
- Information about your transactions with us, our affiliates or others; and
- Information we receive from a consumer reporting agency.

A-2-Categories of information a licensee discloses (institutions that disclose outside of the exceptions)

A licensee may use one of these clauses, as applicable, to meet the requirement of section 38a-8-109(a)(2) of the Regulations of Connecticut State Agencies to describe the categories of nonpublic personal financial information the licensee discloses. The licensee may use these clauses if it discloses nonpublic personal financial information other than as permitted by exception.

Sample Clause A-2, Alternative 1:

We may disclose the following kinds of nonpublic personal financial information about you:

- Information we receive from you on applications or other forms, such as [provide illustrative examples, such as "your name, address, social security number, assets, income, and beneficiaries"];
- Information about your transactions with us, our affiliates or others, such as [provide illustrative examples, such as "your policy coverage, premiums, and payment history"]; and
- Information we receive from a consumer reporting agency, such as [provide illustrative examples, such as "your creditworthiness and credit history"].

Sample Clause A-2, Alternative 2:

We may disclose all of the information that we collect, as described [describe location in the notice, such as "above" or "below"].

A-3-Categories of information a licensee discloses and parties to whom the licensee discloses (institutions that do not disclose outside of the exceptions)

A licensee may use this clause, as applicable, to meet the requirements of section 38a-8-109(a)(2), (3), and (4) of the Regulations of Connecticut State Agencies to describe the categories of nonpublic personal financial information about customers and former customers that the licensee discloses and the categories of affiliates and nonaffiliated third parties to whom the licensee discloses. A licensee may use this clause if the licensee does not disclose nonpublic personal financial information to any party, other than as permitted.

Sample Clause A-3:

We do not disclose any nonpublic personal financial information about our customers or former customers to anyone, except as permitted by law.

A-4—Categories of parties to whom a licensee discloses (institutions that disclose outside of the exceptions)

A licensee may use this clause, as applicable, to meet the requirement of section 38a-8-109(a)(3) to describe the categories of affiliates and nonaffiliated third parties to whom the licensee discloses nonpublic personal financial information. This clause may be used if the licensee discloses nonpublic personal financial information other than as permitted.

Sample Clause A-4:

We may disclose nonpublic personal financial information about you to the following types of third parties:

- Financial service providers, such as [provide illustrative examples, such as “life insurers, automobile insurers, mortgage bankers, securities broker-dealers, and insurance agents”];
 - Non-financial companies, such as [provide illustrative examples, such as “retailers, direct marketers, airlines, and publishers”]; and
 - Others, such as [provide illustrative examples, such as “non-profit organizations”].
- We may also disclose nonpublic personal financial information about you to nonaffiliated third parties as permitted by law.

A-5—Service provider/joint marketing exception

A licensee may use one of these clauses, as applicable, to meet the requirements of section 38a-8-109(a)(5) of the Regulations of Connecticut State Agencies. If a licensee discloses nonpublic personal financial information under this exception, the licensee shall describe the categories of nonpublic personal financial information the licensee discloses and the categories of third parties with whom the licensee has contracted.

Sample Clause A-5, Alternative 1:

We may disclose the following information to companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements:

- Information we receive from you on applications or other forms, such as [provide illustrative examples, such as “your name, address, social security number, assets, income, and beneficiaries”];
- Information about your transactions with us, our affiliates or others, such as [provide illustrative examples, such as “your policy coverage, premium, and payment history”]; and
- Information we receive from a consumer reporting agency, such as [provide illustrative examples, such as “your creditworthiness and credit history”].

Sample Clause A-5, Alternative 2:

We may disclose all of the information we collect, as described [describe location in the notice, such as “above” or “below”] to companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements.

A-6—Explanation of opt out right (institutions that disclose outside of the exceptions)

A licensee may use this clause, as applicable, to meet the requirement of section 38a-8-109(a)(6) of the Regulations of Connecticut State Agencies to provide an explanation of the consumer's right to opt out of the disclosure of nonpublic personal financial information to nonaffiliated third parties, including the method(s) by which the consumer may exercise that right. The licensee may use this clause if the licensee discloses nonpublic personal financial information other than as permitted.

Sample Clause A-6:

If you prefer that we not disclose nonpublic personal financial information about you to nonaffiliated third parties, you may opt out of those disclosures, that is, you may direct us not to make those disclosures (other than disclosures permitted by law). If you wish to opt out of disclosures to nonaffiliated third parties, you may [describe a reasonable means of opting out, such as "call the following toll-free number: (insert number)"].

A-7-Confidentiality and security (all institutions)

A licensee may use this clause, as applicable, to meet the requirement of section 38a-8-109(a)(8) of the Regulations of Connecticut State Agencies to describe its policies and practices with respect to protecting the confidentiality and security of nonpublic personal financial information.

Sample Clause A-7:

We restrict access to nonpublic personal financial information about you to [provide an appropriate description, such as "those employees who need to know that information to provide products or services to you"]. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal financial information.

(Adopted effective June 7, 2002)